



The TSAC Update

Serving the Financial Aid Community Since 1974!

Tennessee Student Assistance Corporation

January 2004

Volume 3, Issue 14

FROM THE EXECUTIVE DIRECTOR

As submitted to the TASFAA Executive Committee

Tennessee Education Lottery Scholarship Program

Public Chapter Number 298 was signed by Governor Bredesen on June 11, 2003. The TSAC Board of Directors passed the Proposed Rules and Regulations for the program on December 15, 2003. During this six month period to establish the rules for this monumental new program for the students of Tennessee, the complex nature of the statute emerged. For the next six months, the challenge for TSAC and the financial aid community is full implementation of the program.

To assist in the implementation at the high school level, TSAC has established counselor advisory groups; one in each grand division of the State. These groups have been instrumental in the development of the lottery scholarship section of e*GRandS. Counselors will, in essence, have a choice of two screens to enter student applicant GPA information. The first screen can be used to indicate the unweighted overall and core curriculum GPA after the counselor calculates the GPAs. The second screen can be used to indicate the grades in each core curriculum course and any non-core curriculum course taken by the student applicant. The second screen will be able to calculate the unweighted overall and core curriculum GPA.

The training of high school counselors on e*GRandS has commenced. The first informational sessions will be completed by the end of February 2004. The hands-on training sessions will be completed by the end of March 2004.

The training of financial aid officers on the lottery section of e*GRandS will also be completed by the end of March 2004. It will also be available during the TASFAA Spring Conference.

Students in the Class of 2003 and 2004 will receive tentative TSAC award letters by April 1, 2004. Informational rosters through e*GRandS will be available to each eligible institution that student applicants indicate on the FAFSA beginning April 1, 2004.

Certification rosters for the lottery scholarships will follow the same format and procedures of the TSAA program. The certification rosters will be available July 1, 2004. For the Class of 2003, the financial aid office must certify the high school graduating criteria as well as the 2.75 college cumulative GPA and 24 completed hours. The Class of 2004 will already be verified by high school counselors. TSAC's goal for forwarding the lottery scholarship funds to institutions is ten days prior to the start of the Fall 2004 semester.

Tennessee Student Assistance Award

For 2004-05 academic year, the maximum award for the TSAA is \$2,322 at a maximum EFC of 2100. This is the first increase in EFC in several years. The maximum restoration award is \$4,644. The award grid will be based on prior year tuition and fees and will reflect an 8.6% award cells increase from the 2003-04 award cells. Unfortunately, the total funding in the program may decrease by 5% as required by the Governor's budget request. This will affect approximately 1,200 students.

Ned McWherter Scholars Program

TSAC's budget request for the 2004-05 academic year includes funds for the McWherter program. This program is partially funded by interest from an endowment. With interest earning down, new recipients may not be awarded. If the budget request is approved, 50 freshmen will receive the award along with 150 renewal recipients. If not approved, TSAC will not be able to award new applicants for the 2004-05 academic year.

On-line Scholarship Applications

e*GRandS now includes on-line applications. Applicants for the Ned McWherter Scholars Program, Robert C. Byrd Honors Scholarship Program, Minority Teaching Fellows Program, Tennessee Teaching Scholars Program, and Dependent Children Scholarship Program can now submit on-line applications or the traditional paper

SCHOLARSHIPS AND GRANTS DIVISION

Tennessee Student Assistance Award Program

2003-2004

The Winter Quarter and Spring Semester Certification Rosters are available for completion on the e*GRandS system. The rosters will need to be completed by February 15, 2004. It is also time to reconcile TSAA payments for the summer and fall terms. Once you have reconciled the summer and fall terms, please print the report, sign the last page and mail or fax the report to TSAC. The Reconciliation Roster is under Reports on e*GRandS. It is necessary to have these terms reconciled by February 15th.

2004-2005

There is an important change in the calculation of the 2004-2005 TSAA Award. The TSAA award will now be based on "prior" academic year tuition and mandatory fees instead of the current year. The 2004-2005 TSAA award will be based on the tuition and mandatory fees for 2003-2004, which we already have on file. This will allow TSAC to calculate the awards from the beginning of the award year and not have to adjust later in the academic year if tuition and mandatory fees change. It will give TSAC a more accurate accounting of the awarding levels as awards are expended. Please be aware that you will need to use prior year tuition and mandatory fees when calculating awards for students

that attend your institution less than full-time. The TSAA 2004-2005 Payment Table will reflect the amount of the awards.

You will be notified when the TSAC 2004-2005 year will be on the system.

Scholarships

The Winter Quarter and Spring Semester Certification Rosters for the Dependent Children Scholarship, Ned McWherter Scholars and Robert C. Byrd are available on the e*GRandS system for you to certify. If you have any questions regarding the scholarships on the system do not hesitate to contact the TSAC Grant and Scholarship staff.

We are excited about the Scholarship Online Application that has been added to the TSAC Web Site. A student may now apply for all the scholarships online. The applications will be submitted directly to the e*GrandS system with the exceptions of the Minority Teaching Fellows and Tennessee Teaching Scholars. Those two programs are not on the system yet, but the online application will be submitted to TSAC for processing. The high school counselors will be sent notification this week about the online application process.

Thank you for your help and support.

COMPLIANCE DIVISION UPDATE

The Compliance Division is pleased to announce that Dianna Greer has accepted the Financial Aid Program Specialist position that has responsibility for the Quality Quest Assessment Program, TSAC Update and technical assistance to our clients.

Now that Dianna is in this new role at TSAC, her former position (School Review Officer) is vacant. In addition, Marcia S'Antulli has transferred to another state agency and her position as the (Lender Review Officer) is vacant. If you are interested in applying for either of these positions, you may contact Martin McGirt, Compliance Coordinator (ext. 150) or Myrna Mansfield, Personnel Officer at TSAC (ext 138). Both positions will remain open until filled.

If you are searching for a regulatory citation and need assistance, you are encouraged to call the Compliance Division and let us help you. Our goal is to provide both technical assistance and training opportunities for postsecondary institutions that participate in the FFEL, TSAA, and other TSAC programs. Your ideas and suggestions for future training opportunities are welcomed.

LOAN DIVISION/GUARANTEC

FY 2002 Cohort Default Rate Calculations

NSLDS will calculate draft and official fiscal year (FY) 2002 cohort default rates as follows:

The Draft FY 2002 rates will be calculated on January 10, 2004 and released on February 17, 2004.

The Official FY 2002 rates will be calculated on August 7, 2004 and released on September 13, 2004.

Federal Family Education Loan Program Special Allowance Rates for the quarter ending December 31, 2003

The Treasury Department has published the average of the bond equivalent rates for the ninety-one (91) day Treasury bills auctioned during the quarter ending December 31, 2003, as .93 percent.

GuaranTec

Accounting Operations Contact List

Though we are a quiet bunch working behind the scenes, our Accounting Operations staff performs a variety of support functions. These include tasks that support internal controls such as a daily lockbox reconciliation. Below is an updated list of our contact information. If you have a question about a related issue, please contact Diane Ezell.

Accounting Fax – 904.281.1763

Accounting Supervisor – Diane Ezell, dezell@guarantec.com, 904.281.7270

W.D Ford Consolidation Payment Processing – Kimberly Borzeka, kborzeka@guarantec.com, 904.281.7273

Fee Billing – Gussie Madden, gmadden@guarantec.com, 904.281.7088

Repurchase Processing – Angela Mayberry, amayberry@guarantec.com, 904.281.7251

Payment Processing – Pamela June, pjune@guarantec.com, 904.281.7150

Federal Reporting – Nancy Wimsatt, nwimsatt@guarantec.com, 904.281.7278

**TENNESSEE EDUCATION LOTTERY SCHOLARSHIP (TELS) PROGRAM
DIVISION**

Everybody is talking about the Tennessee Education Lottery Scholarships! As this excitement spreads throughout our state, there is still much work to be done. We have recently hired two additional Lottery employees to work in the Telephone Call Center. Joining our team will be: Mr. Robert Warfield and Ms. Luz Alva-Keith. These team members are being trained to answer all questions regarding the various programs in the TELS program.

Please continue to contact the three regional marketing representatives if you are interested in hosting a parent night or program at your college, university or high school. The three regional representatives are ready to help out. Please contact them first, before planning major events. The TELS representatives are: Gary

Roger, who takes care of East Tennessee; Courtney Dillard, Middle Tennessee and Janice Maddox, West Tennessee.

QUESTION OF THE MONTH

Athletes and Lottery Scholarship Eligibility

Example A: Student A is a college freshman who is eligible for the Hope Scholarship. He is also a student athlete, so if he accepts the scholarship he will put the school over its athletic team's scholarship limit. He does not apply in 2004 because of this, but in 2005 the NCAA allows for him to take the scholarship. Can he apply in 2005 and receive the Hope scholarship?

Response: No, the student must apply for the Lottery Scholarship in 2004. The student must re-apply each subsequent year and meet the renewal criteria each time.

Example B: Student A is a 2004 HS senior and has accepted a scholarship to play X sport at XYZ University, due to the fact that he/she will put that particular team over their scholarship limit, he/she does not apply for the Hope Scholarship. Then in 2005 the NCAA allows him/her to accept this scholarship and it not put a team over their limit, can he/she receive the Hope Scholarship in 2005? What should the student do in 2004? Apply but not accept or not apply at all?

Response: If a 2004 TN high school student/athlete enrolls at an institution without applying for the Hope Scholarship by submitting the FAFSA each year, then he or she forfeits the right to receive future lottery scholarships.

TSAC LENDER CONFERENCE

The Annual TSAC Lender Conference has been set for April 5-6, 2004 at the Cool Springs Embassy Suites Hotel in Franklin, Tennessee. More detailed information and registration procedures will be available soon.

PRESTIGIOUS AND COMPETITIVE SCHOLARSHIPS AND FELLOWSHIPS

Mark Kantrowitz, Publisher, FinAid, added a page to the FinAid web site listing some of the most prestigious and competitive national scholarships and fellowships available. The list can be viewed at [scholarships](#).

FEDERAL UPDATE

2004-2005 VERIFICATION WORKSHEETS

The 2004-2005 verification worksheets are now available at [IFAP; worksheets](#).

USE OF STATE SCHOLARSHIPS AND GRANTS AS THE NON-FEDERAL SHARE OF FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT AWARDS

Institutions may use 79.19% of TSAA as the non-Federal share of total FSEOG awards for the 2003-2004 award year. See [IFAP; CB-03-17](#).

HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS (HEROES) ACT OF 2003

This act impacts individuals who are recipients of student financial aid and are serving on active duty during a war or other military operations or national emergency; are performing a qualifying National Guard duty during a war or other military operations or national emergency; or reside or are employed in an area that is declared a disaster area in connection with a national emergency. The act relates to the following areas of Title IV aid for the affected individuals: Need Analysis; Professional Judgment; Return of Title IV Funds—Grant Overpayments Owed by the Student; Return of Title IV Funds—Amount of Unearned Funds Owed by the Institution; Verification of AGI and U.S. Income Tax Paid; Return of Title IV Funds—Postwithdrawal Disbursements; Leaves of Absence; Treatment of Title IV Credit Balances When a Student Withdraws; Cash Management—Borrower Request for Loan Cancellation; Cash Management—Student and Parent Authorizations; SAP; Borrowers in Grace Period; Borrowers in an “In-School” Period; Borrowers in an In-School or Graduate Fellowship Deferment; Forbearance; Collection of Defaulted Loans; Loan Cancellation; Rehabilitation of Defaulted Loans; Reinstatement of Title IV Eligibility; Consolidation of Defaulted Loans; Military Deferment; Verification Signature Requirements See [HEROES](#).

SSN CORRECTIONS IN CPS

Common Origination and Disbursement (COD) system always uses the current social security number to process records. See [IFAP; SSN Corrections in CPS](#).

If you have questions on any article or suggestions for future articles, please contact Dianna Greer at 800-342-1663, ext. 149 or 615-253-7474; e-mail address: dianna.greer@state.tn.us